

**STATE OF NORTH CAROLINA  
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Special Meeting on Thursday, October 30, 2008 at 4:00 p.m. in the Commissioners Boardroom, Avery County Administrative Complex, Newland, NC for the purpose of discussing the Land Transfer Tax.

Members Present: Kenny Poteat, Chairman; Susan Pittman, Vice-Chairman; Phyllis Forbes and Scott Heath

Members Absent: None

**Call To Order**

Chairman Poteat called the meeting to order at 4:06 p.m.  
Scott Heath led prayer.

**Land Transfer Tax**

Chairman Poteat stated that the public had known about this special meeting for several days and that notice had been posted on the Commissioners bulletin board and on the clerk's door.

Chairman Poteat stated that one thing that needed to be accomplished at this meeting, if the Land Transfer Tax is adopted by the citizens of Avery County, is the usage of said monies. Chairman Poteat advised that a date needed to be set to hold a referendum and beyond that the Board needed to start formulating thoughts to inform the citizens.

Robert Wiseman, County Manager, stated that he met with the school improvement committee at Avery High School and handed out some information about the Land Transfer Tax and it was very well received. One of the major questions that were asked was how the monies were going to be spent. The County Manager advised that the overwhelming concern was if the monies would be spent totally for capital improvements and if this could be expanded to other associated needs such as supplies. The word "home tax" came up a time or two and it was explained that this was not a tax on homes unless the home is sold. The County Manager reported that if the Land Transfer Tax had been in place over the past few years this tax would generate at least one million dollars per year. The County Manager advised that a date needed to be set for the referendum and that he had a lot of feedback from family, friends and associates and one of the things that everyone is united is that the citizens does not want the right to vote on the Land Transfer Tax be taken away and that is what is spurring establishing the date.

Chairman Poteat advised that the opposition is very well organized and takes the Land Transfer Tax very seriously. Chairman Poteat said, in his opinion, the citizens of Avery County may lose the opportunity to vote on the Land Transfer Tax by mid February. Chairman Poteat stated that, in his opinion, the more likely that the use of the monies was "watered down" the more likely the Land Transfer Tax would be defeated. Chairman Poteat advised that his contention would be that the Land Transfer Tax would be 100% for education and that these would be new dollars and not replacement dollars.

Scott Heath stated that the Land Transfer Tax was being taken from one industry and at the last meeting he had believed that there should be something put back into the real estate industry but after having time to think about these issues he felt it would be best to designate these monies for one specific thing and even in education set for one specific thing such as capital improvements. Mr. Heath said he did not believe that these monies should be used for salaries or positions and that it was the responsibility of the County to maintain school facilities. Mr. Heath advised that the monies from the Land Transfer Tax should be designated 100% education and to be more specific capital improvements.

Phyllis Forbes stated that she felt the monies from the Land Transfer Tax should be designated for education but that it should be more flexible to include technology upgrades in schools, needed materials, textbooks, etc. that are above and beyond what the State provides. Ms. Forbes advised that she would not be in favor of using the monies for administration, positions or salaries.

Discussion about textbooks; supplies; technology and whether these were classed as capital or operational.

Susan Pittman questioned what the capital budget outlay this year for the schools was. Jeff Jaynes stated that it was \$500,000. Ms. Pittman said these monies should be a supplement to education and not replacement monies. Ms. Pittman stated that the school board needed to understand that if the economy was bad that the school board should not expect possibly \$1,000,000. Ms. Pittman questioned what the monies could be used for. The County Manager advised that any legal use of funds; these monies are not restricted in any way and that on the ballot there would not be any explanation of what the monies will be used for.

Scott Heath stated that the Board needed to be super specific to where all these monies are going. Jeff Jaynes advised that the term that would need to be used is that these funds would not supplant other funds. The County Attorney stated that the more specific a Board is the harder it would be for another Board to modify the commitment of the monies. John Greene, Chairman of the Avery County Board of Education, explained that the School Board needed some flexibility with these monies. Mr. Greene said that it was very pleasing to the School Board that these monies would be going toward education because a strong education system would do more than just support the school system, it would end up supporting the whole county through economic development. Mr. Greene advised that he agreed with Ms. Forbes that supplies and textbooks was a great need for the schools. Ms. Forbes stated that education was more than facilities and more than capital. Mr. Heath advised that the more the monies are divided the more likely these monies would be suspect and the clearer cut to where the monies are going the more the citizens will trust where the money goes. Ms. Forbes stated that she was trying to help the teachers and children. Ms. Pittman said that if the words “capital outlay” was put in the paper most people would not understand the concept and possibly should be more specific.

Discussion.

Scott Heath asked about the timing of the Land Transfer revenues and when these would be enacted. The County Manager stated that the General Statute set forth how quickly after this Land Transfer tax is passed it can be enacted. The County Attorney advised that there would be equipment set up in the Register of Deeds to tract the Land Transfer revenues. Discussion. Chairman Poteat stated that based on the conversation these monies would be exclusively for school capital outlay (buildings, buses, computers, etc.) and would not include supplies. The County Attorney advised that there are certain requirements with calling for a special election and that a separate resolution needed to be presented at the next Board meeting.

**Motion by Scott Heath and second by Susan Pittman that these monies generated by the Land Transfer Tax would be used exclusively for school capital outlay (buildings, buses, computers, etc). Kenny Poteat, Scott Heath and Susan Pittman in favor; Phyllis Forbes opposed. (3-1).**

Phyllis Forbes stated that she felt like these monies should go for more than capital but not for personnel or salaries.

Chairman Poteat advised that a time and date needed to be set because of the possibility of the citizen’s right to vote on the Land Transfer Tax being overturned. By Consensus of the Board, the special referendum will be Tuesday, February 3, 2009.

The County Attorney read aloud the resolution to call for a special referendum on Tuesday, February 3, 2009 to vote on the Land Transfer Tax.

**Motion by Phyllis Forbes and second by Susan Pittman to adopt said resolution. Motion unanimously approved. (4-0).**

Chairman Poteat advised that another special meeting will be held Monday, November 10, 2008 at 3:30 p.m. to discuss the Land Transfer Tax.

The County Manager stated that in every situation with the other counties where the Land Transfer Tax has been defeated that the efforts of the County have been on the defensive. The Board cannot spend public funds on combating half-truths so the Board should give strong consideration to getting an ad in the Avery Post and in the Avery Journal stating what the Land Transfer Tax is, said the County Manager.

Scott Heath questioned if there needed to be a motion to state that these are new monies generated by the Land Transfer Tax and not replacement monies.

**Motion by Phyllis Forbes and second by Susan Pittman that these monies generated by the Land Transfer Tax will not supplant the school capital outlay funds already in place. Motion unanimously approved. (4-0).**

**Motion by Susan Pittman and second by Phyllis Forbes to adjourn this Special Meeting at 5:26 p.m. Motion unanimously approved. (4-0).**

John Greene, Avery County School Board, thanked the Board of Commissioners for the spirit of cooperation and collaboration.

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**Kenny Poteat, Chairman  
Avery County Board of Commissioners**

ATTEST:\_\_\_\_\_

Cindy Turbyfill, Clerk